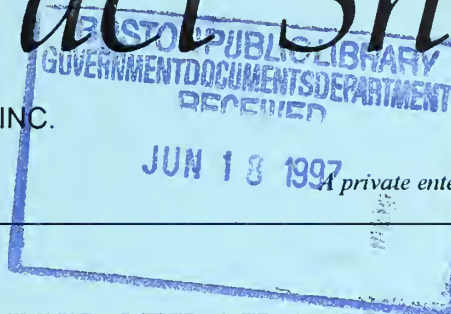


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MRB Fact Sheet

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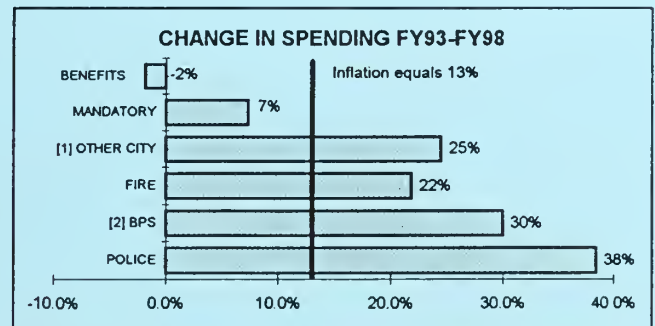
June 9, 1997

FY98 SCHOOL BUDGET AT A GLANCE

The Boston Public Schools (BPS) recommended general fund budget for FY98 totals \$491.5 million, an increase of \$19.7 million or 4.2% over the current FY97 budget. In addition to the general fund budget, the BPS expects grant revenues of \$68.7 million, bringing the total all-funds budget to \$560.2 million. Additionally, the City expects to apply \$81.2 million from the capital budget in FY98 for school purposes. Funds for collective bargaining and for Charter Schools (\$14.8 million) are not included, but are provided for separately in the City's budget. Designed to accompany the Bureau's School Budget Special Report, this Fact Sheet has been developed to provide a brief overview of the FY98 BPS budget, to explain what factors have contributed to the changes made over FY97 spending, and to identify and provide some background on BPS priorities for the next fiscal year.

EDUCATION: A PRIORITY AREA

A comparison of general fund spending patterns by the BPS and all other city departments since FY93 reveals that increases in educational spending have outpaced increases made in all other departmental spending except police. Since FY93, BPS spending has increased by 30%, well above the 13% rate of inflation. Reflective of this increase, BPS spending as a percentage of total city spending has increased from 29% of the budget in FY93 to a projected 35% next year. The Administration's continued commitment to education and additional state funding through the Education Reform Act have both contributed to this increase.



[1] Other City includes collective bargaining reserves for all departments. [2] BPS figures include spending on employee benefits, which are funded separately in other departments. BPS projects to spend \$43.2 million for employee benefits next year.

ENROLLMENT IMPACTS THE BOTTOM LINE

Enrollment, coupled with collective bargaining provisions, directly impact the budget. When enrollment increases or shifts to more restrictive mandated programs, additional staff is needed. The added costs attributable to enrollment increases and shifts are determined by the aggregate number of new students and their program needs.

- ❖ Expected enrollment 64,040.
- ❖ An increase of 1,060 or 2%.
- ❖ Special education will grow the fastest, at 7%.
- ❖ 41% of the students will enroll in the elementary grades.
- ❖ Elementary students will increase by 4%.
- ❖ Kindergarten enrollment will drop by 6%, as full-day sessions are phased-in and half-days are phased-out.

FY97 v. FY98 BY PROGRAM					
Program	FY97	FY98	Change	% Change	% of Total
	Actual	Budget			
Regular	46,155	46,728	573	1.2%	73.0%
Bilingual	10,566	10,623	57	0.5%	16.6%
Special [1]	6,259	6,689	430	6.9%	10.4%
Total	62,980	64,040	1,060	1.7%	100.0%

FY98 BY GRADE AND BY PROGRAM					
Grade	Regular	SPED [1]	Bilingual	Total	% of Total
Kindergarten	5,398	727	1,567	7,692	12.0%
Elementary	18,355	2,575	5,136	26,066	40.7%
Middle	9,622	1,685	1,611	12,918	20.2%
High	13,353	1,702	2,309	17,364	27.1%
Total	46,728	6,689	10,623	64,040	100.0%

[1] Includes only substantially separate SPED students. SPED students who spend more than half their day in regular classrooms are included in the regular education enrollment figure.

STAFFING THE BPS

- ❖ The FY98 budget supports 7,828 positions, an increase of 141 or 2%.
- ❖ Teachers are 56% of the BPS staff. If combined with instructional support, about 75% of the BPS staff is directly involved with student learning.
- ❖ Teachers account for 75% of all new positions in this budget, and will increase by 106 positions, or 3%.
- ❖ Only vocational education teachers will be reduced next year as enrollment is projected to drop.
- ❖ The personnel growth comes after a three year (1994-1997) increase of 685 actual positions or 10%.



FY98 PROPOSED BPS PERSONNEL					
Category	FY97 Current	FY98 Adopted	Change	% Change	FY98 % of Total
Total Teachers	4,300.2	4,405.9	105.7	2.5%	56.3%
Regular	2,212.3	2,252.9	40.6	1.8%	28.8%
Special	992.2	1,017.0	24.8	2.5%	13.0%
Bilingual	542.7	546.5	3.8	0.7%	7.0%
Vocational	49.0	43.0	-6.0	-12.2%	0.5%
Specialist	328.4	343.9	15.5	4.7%	4.4%
Itinerant	175.6	202.6	27.0	15.4%	2.6%
Instructional Support	1,445.6	1,474.3	28.7	2.0%	18.8%
Administrators	388.0	379.0	-9.0	-2.3%	4.8%
Non-Academic	889.5	889.1	-0.4	0.0%	11.4%
Monitors/Food Service	190.0	202.0	12.0	6.3%	2.6%
Custodians	377.0	378.0	1.0	0.3%	4.8%
Professional Support	97.1	100.1	3.0	3.1%	1.3%
Grand Total	7,667.4	7,828.4	141.0	1.8%	100.0%

These figures combine GSP and A&R personnel by expense codes.

WHERE DOES THE BPS SPEND ITS \$ - The Budget By Program

Instruction

- ❖ 64% of the budget is for instruction.
- ❖ Regular Education accounts for 53% of the instruction budget.
- ❖ The instruction budget is projected to increase by 5% with Regular Education growing at a rate of 7%.
- ❖ Special Education represents 36% of the instruction budget and 10% of enrollment.
- ❖ Regular Education represents 53% of the instruction budget and 73% of enrollment.

INSTRUCTION BUDGET						
	FY97 CURRENT	FY98 ADOPTED	% INSTR.	% FY98 TOTAL	FY97-98 CHANGE ACTUAL	%
Regular Education	\$154,059,377	\$165,492,014	52.6%	33.7%	\$11,432,637	7.4%
Bilingual Education	29,826,033	31,382,805	10.0%	6.4%	1,556,772	5.2%
Special Education	111,248,141	112,915,293	35.9%	23.0%	1,667,152	1.5%
Vocational Education	4,509,597	4,506,589	1.4%	0.9%	(3,008)	-0.1%
Sub-Total Instruction	299,643,148	314,296,701	99.8%	63.9%	14,653,553	4.9%
Adult Education	339,098	297,881	0.1%	0.1%	(41,217)	-12.2%
Summer Session	308,124	308,124	0.1%	0.1%	0	0.0%
Total Instruction	\$300,290,370	\$314,902,706	100.0%	64.1%	\$14,612,336	4.9%

Support Services

- ❖ 36% of the budget is for non-academic support services.
- ❖ 25% of the support budget is for Facilities, followed closely by Employee Benefits & Transportation.
- ❖ Support Services will increase by 3%.
- ❖ Employee Benefits will see the largest dollar increase at \$2.3 million, or 5%.
- ❖ General Administration, which represents 3% of the total FY98 budget, will be cut by 4% this year.

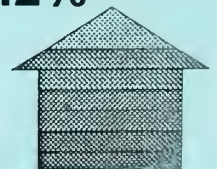
SUPPORT SERVICES						
	FY97 CURRENT	FY98 ADOPTED	% SUP.	% FY98 TOTAL	FY97-98 CHANGE ACTUAL	%
Student Support Services	\$28,302,836	\$29,283,103	16.6%	6.0%	\$980,267	3.5%
Safety	2,956,683	2,976,620	1.7%	0.6%	19,937	0.7%
Physical Plant	42,112,705	43,793,549	24.8%	8.9%	1,680,844	4.0%
Transportation	39,279,667	40,174,803	22.7%	8.2%	895,136	2.3%
General Administration	16,609,947	15,897,642	9.0%	3.2%	(712,305)	-4.3%
Employee Benefits	42,215,955	44,471,577	25.2%	9.0%	2,255,622	5.3%
Total Support	\$171,477,793	\$176,597,294	100.0%	35.9%	\$5,119,501	3.0%

General Fund Budget Snap Shot

	FY97	FY98	CHANGE	% CHANGE
General Fund Total	\$471,768,163	\$491,500,000	\$19,731,837	4.2%

A FY97 supplemental appropriation request of \$3.5 million is now pending before the City Council, which if adopted, would increase the budget to \$475.3 million. The FY98 budget will increase later due to collective bargaining and charter school transportation issues.

+4.2%



BUDGET BY EXPENSE

Salary Expenses

- ❖ 67% of the budget will be spent on salaries, with 45% spent on teacher salaries. Teacher costs will increase when the new BTU contract is signed.
- ❖ Teacher salaries will increase by 5% due to added positions and employee contract provisions.
- ❖ Aides & Monitors salaries will increase by 7%.
- ❖ Custodial salary costs will decline by 4% due to a reduction in overtime and contract modifications.

Reserve

- ❖ The Reserve account is expected to fund the Burke Technology Plan, start-up costs for two pilot schools and a portion of the Exam School Admissions Task Force recommendations.

Non-Salary Expenses

- ❖ 33% of the budget is for non-salary items which will increase by 4% in FY98.
- ❖ Instructional Supplies will increase by 31%, largely due to the purchase of new math books.
- ❖ Employee benefits will cost \$44.6 million in FY98 and consume 9% of the total budget.
- ❖ Purchased services, primarily special education private tuition payments, will be cut by 5%.

EXPENSE BUDGET				
FIGURES IN 000'S				
CATEGORY	Current FY 97	Approved FY 98	% CHANGE	% OF TOTAL
SALARIES	\$318,037,549	\$329,976,292	3.8%	67.1%
Teachers	210,997,461	222,383,388	5.4%	45.2%
Administrators	29,717,931	30,507,595	2.7%	6.2%
Support	22,837,250	21,873,446	-4.2%	4.5%
Aides & Monitors	14,049,849	15,039,733	7.0%	3.1%
Secretarial/Clerical	8,799,094	8,943,223	1.6%	1.8%
Custodial	13,677,074	13,171,878	-3.7%	2.7%
Police/Field Coordinators	8,635,080	8,486,081	-1.7%	1.7%
Part-Time	9,323,810	9,570,948	2.7%	1.9%
RESERVE	\$211,260	\$1,761,827	734.0%	0.4%
NON-SALARY	\$153,519,354	\$159,761,881	4.1%	32.5%
Instructional Supplies	7,089,767	9,310,991	31.3%	1.9%
Non-Instructional Supplies	750,749	718,910	-4.2%	0.1%
Property Services	25,256,949	28,071,737	11.1%	5.7%
Transportation	35,320,123	36,079,999	2.2%	7.3%
Equipment	1,858,555	2,044,870	10.0%	0.4%
Employee Benefits	42,341,919	44,597,541	5.3%	9.1%
Purchased Services	39,715,874	37,594,740	-5.3%	7.6%
Miscellaneous	1,185,418	1,343,093	13.3%	0.3%
TOTAL (GSP+A&R)	\$471,768,163	\$491,500,000	4.2%	100.0%

WHY DID THE BUDGET INCREASE?

The recommended FY98 budget of \$491.5 million reflects an increase of \$19.7 million or 4.2% over FY97 BPS current spending of \$471.8 million. The four factors driving this increase are (1) enrollment growth, (2) new spending for FY98 priorities, (3) fixed costs/inflation and (4) FY97 adjustments.



WHY DID THE FY98 BPS BUDGET INCREASE?

Enrollment Growth	\$6,679,420
New Spending for FY98 Priorities	5,607,480
Fixed Costs/Inflation	6,655,205
FY97 Adjustments	789,732
Total FY98 Budget Increases	\$19,731,837

At one point, the FY98 budget stood at \$505.1 million, \$13.6 million above the \$491.5 million target. The budget was reduced and the table below lists the changes made. Some of these changes were easily attained while others were more complex to implement. For instance, \$1.6 million was shifted from the operating to the capital budget while the \$4.1 million in central accounts required adjustments in some base budget accounts.

New Spending for FY98 Priorities

\$1.9 M	Technology Upgrade
\$1.6 M	Instructional Materials for Math Curriculum
\$946,014	Two New Pilot Schools (including start-up costs)
\$750,000	Exam School Task Force Recommendations
\$172,949	McKinley School Civil Rights Agreements
\$123,702	2-Way Bilingual at Hurley & Greenwood Schools
\$111,490	General Counsel Staff Addition

\$5.6 Million Grand Total New Priority Spending

CUTS OR REALLOCATIONS FROM \$505.1 M FY98 BASE

Staff Allocations/Adm. and Support	(\$3,184,232)
Central Accounts	(4,139,936)
Special Education	(3,500,000)
Capital Budget Shifts	(1,619,000)
Defer Opening of Two Pilot Schools	(1,202,000)
Total FY98 Budget Cuts/ Reallocations	(\$13,645,168)
\$505,145,168 - \$13,645,168 = \$491,500,000	

Special Education

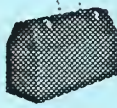
Despite this \$3.5 million cut, SPED spending will continue to rise, as the FY98 budget of \$112.9 million reflects a \$1.7 million or 1% increase over FY97.

EXTERNAL FUNDS

- ❖ External funds will increase by 1.4% in FY98, bringing the total to \$68.7 million.
- ❖ Some grants received in FY97 are excluded from the FY98 amount due to funding uncertainties.
- ❖ Grants will represent 12% of total BPS revenues in FY98, down from 13% in FY97.
- ❖ 61% of BPS grants are formula-driven, such as Title I. Reimbursement grants, including the federal school lunch program, represent 27% of the total, and competitive grants represent 12%.
- ❖ Changes made to federal Title I formulas will allow the BPS to expand the literacy program to 35 schools in FY98, bringing the total to 113 schools.

FACILITY MAINTENANCE

The BPS funds routine maintenance of existing BPS buildings through its operating budget. Costs include salary and non-salary expenses.



- ❖ \$44.0 million will be spent in FY98 to maintain existing BPS buildings, with \$16.7 million or 38% spent for employee salaries and benefits.
- ❖ BPS facilities include 77 elementary, 19 middle and 15 high schools. Others include BPS headquarters, 3 of 9 pilot schools and 10 special programs, for a total of 125.

CAPITAL FUNDS

Capital funds are raised by the City through the sale of bonds and are used to fund projects such as new school construction and renovations, schoolyard improvements, accreditation needs and technology and wiring improvements.

- ❖ The City's capital plan includes \$81.2 million in FY98 for school purposes.

- ❖ About \$46.0 million is planned to renovate East Boston and Hyde Park High Schools.
- ❖ Approximately \$10.2 million is budgeted to wire buildings and install computers and software applications.

PILOT SCHOOLS

Pilot schools were established in the 1994 BTU contract to allow the BPS to experiment with new approaches to teaching and learning. Pilots are subject to all BPS student assignment and budgetary requirements, but they are exempt from all union and School Committee work rules. The programs developed at these schools must be capable of being replicated throughout the system.

- ❖ BPS expects to operate 9 pilot schools in FY98.
- ❖ Pilots are expected to represent 2.4% of projected enrollment and 1.4% of the FY98 budget.
- ❖ Two new pilots, Mission Hill and Harbor Point, will open this year. The opening of two other approved pilots, Boston Arts Academy and Quincy Upper School, have been deferred due to facility issues.
- ❖ In FY98, the BPS must conduct an in-depth assessment of the pilot schools that have operated since FY95.

FY98 BPS PILOT SCHOOLS		
School	Projected Enrollment	FY98 Funding
Young Achievers Elementary	234	\$1,216,765
Fenway Middle College	256	1,331,162
Downtown Evening Academy	147	565,423
Lyndon Elementary	356	1,447,094
Multicultural	150	525,561
Greater Eggleston Community	100	396,727
Health Careers Academy	163	569,325
Harbor School (new) [1]	60	339,789
Mission Hill School (new) [1]	95	606,225
Total FY98 pilot schools	1,561	\$6,998,071
[1] Combines start-up and operations costs.		

STUDENT ASSESSMENTS

How well does the expenditure of \$491.5 million improve student learning and performance? The Stanford 9 multiple choice test measures BPS student reading and math performance in grades 3,5,6,7,9 and 11. The Stanford 9 replaced the Metropolitan Achievement Test (MAT) last year because it more closely reflects emerging curriculum frameworks.

- ❖ Generally, the results revealed that as BPS students move into higher grades their performance in reading and math compared to their peers nationwide declines.
- ❖ The average BPS third grader scored above the national reading average, but grades 5,6,7,9 and 11 scored below average. Overall, average math scores were lower than reading scores. While grades 3 and 5 scored near the national average, the average score for the middle and high school grades was considerable below the national average.

